

UNE P Imputation Analysis

Basic Residential Service			
Access Area	Revenues	Imputed UNE Costs	Margin
Area A	\$22.07	\$25.28	(\$3.21)
Area B	\$25.05	\$38.96	(\$13.91)
Area C	\$28.52	\$43.22	(\$14.70)

Basic Business Service			
Access Area	Revenues	Imputed UNE Costs	Margin
Area A	\$12.02	\$25.28	(\$13.26)
Area B	\$15.23	\$38.96	(\$23.73)
Area C	\$18.89	\$43.22	(\$24.33)

UNE P Imputation Analysis

COSTS IMPUTED TO SERVICES - PROPOSED UNE TARIFF - UNE-P

UNE-P Rates:	Tariff Reference	Area A	Area B	Area C
Monthly Recurring Charges (MRC)				
UNE Loop Rates	Tariff 20, Part 19, Sec. 2	\$11.62	\$23.23	\$26.85
Unbundled Local Switching	Tariff 20, Part 19, Sec. 3	\$2.18	\$2.18	\$2.18
2 Wire Cross Connect Price	Tariff 20, Part 23, Sec. 4	\$0.14	\$0.14	\$0.14
Monthly Non-Recurring Costs		\$7.52	\$7.52	\$7.52
Imputed UNE Based Costs Under Proposed Tariffs		\$21.46	\$33.07	\$36.69
Resale Discount (Proxy Retail Related Expenses)	17.80%	\$3.82	\$5.89	\$6.53
Total Imputed Costs Under Proposed Tariffs		\$25.28	\$38.96	\$43.22

REVENUES GENERATED BY RETAIL SERVICE

Retail Offerings	Tariff Reference	Area A	Area B	Area C
BUSINESS				
Business Line	Tariff 19, Part 4, Sec. 2	\$5.00	\$8.21	\$11.87
End User Common Line Charge - multi-line	FCC No. 2, Page 76	\$4.49	\$4.49	\$4.49
Monthly Non-Recurring Revenue		\$2.53	\$2.53	\$2.53
Total Retail Business Revenue Per Line		\$12.02	\$15.23	\$18.89
RESIDENCE				
Residence Line	Tariff 20, Part 4, Sec. 2	\$2.55	\$5.53	\$9.00
End User Common Line Charge - single residence	FCC No. 2, Page 76	\$4.49	\$4.49	\$4.49
Monthly Non-Recurring Revenue		\$2.53	\$2.53	\$2.53
Residence Saver Pack - Unlimited Usage	Tariff 20, Part 4, Sec. 2	\$12.50	\$12.50	\$12.50
Total Retail Residential Revenue Per Line		\$22.07	\$25.05	\$28.52

Retail Non-Recurring Costs Unitized to Monthly Level

Ln	Description	Value
	<u>Non-recurring Revenue per NAL</u>	
1	Service Order, Establish	\$34.85
2	Line Connection	\$17.50
3	Total Non-recurring	\$52.35
4	Location Life	2.0000
5	Annuity Factor	1.72166
6	Monthly Equivalent NR Revenue	\$2.53

Wholesale Non-Recurring Costs Unitized to Monthly Level

Ln	Description	Value
<u>Non-recurring Imputed Cost per Loop per Month</u>		
1	Service Order Imputed Cost	\$58.08
2	Line Connection Imputed Cost	\$97.18
3	Total Non-recurring Imputed Cost	\$155.26
4	Location Life	2.0000
5	Annuity Factor	1.72166
6	Monthly Equivalent Non-recurring Cost	\$7.52

Cost of Money	10.60%
Locatio Life	2.0000
Serv Order, Establish	\$34.85 19, P3, S1, Sh 6
Line Connection, Est	\$17.50 19, P3, S1, Sh 7
2-Wire Cross-Connect	\$0.14 23, S4, Sh 47, Existing